

Exhibit 1 to Appendix D, Alternate Appendix D, IBM Statement of Work

**#Customer Legal Name# (Customer)**

for IBM to provide:

**Managed Services for Information Technology (Seat Management Services)**

submitted by

**IBM**

400 West 15<sup>th</sup> St, Austin TX 78701

Month xx, 200x

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# Statement of Work

This Statement of Work ("SOW") is made by International Business Machines Corporation ("IBM") and defines the scope of work (Seat Management Services) to be accomplished by IBM under, and is issued pursuant to, the terms and conditions of Texas DIR Contract #DIR-SDD-536, Contract for Managed Services for Information Technology dated June 26, 2007 (the "Agreement") between International Business Machines Corporation ("IBM"), and the State of Texas, acting by and through the Department of Information Resources ("DIR"). This SOW is made between IBM and #Customer Legal Name# ("Customer") effective Xdate and documents an SMS Transaction under the Agreement and constitutes an alternate to Appendix D of the Agreement. In this SOW, the tasks to be performed by IBM are defined and an Estimated Schedule is provided. In addition, the responsibilities of Customer are listed.

This SOW includes the following subsections:

- Scope of Services
- Key Assumptions
- IBM Responsibilities
- Customer Responsibilities
- Estimated Schedule
- Deliverable Materials
- Completion Criteria
- Charges
- Other Terms and Conditions

Changes to this SOW will be processed in accordance with the procedure described in Appendix C "Project Change Control Procedure". The investigation and the implementation of changes may result in modifications to the Estimated Schedule, Charges, or other terms of this SOW.

The following are incorporated in and made part of this SOW:

- Appendix A, "Deliverable Material Guidelines"
- Appendix B, "Deliverable Material Acceptance Process"
- Appendix C, "Project Change Control Procedure"

## 1 Scope of Services

The scope of the project is \_\_\_\_\_

The objectives of this project are:

- Item 1
- Item 2

### 1.1 Key Assumptions

This SOW and IBM's estimates to perform are based on the following key assumptions. Deviations that arise during the proposed project will be managed through the procedure described in Appendix C, "Project Change Control Procedure".

1. This SOW addresses only the Customer location(s) within the United States.
2. Additional assumptions, if any, Customer made when defining the scope/price of this SOW.

## 2 IBM Responsibilities

The specific Services to be provided under this SOW are described in this section.

### 2.1 IBM General Responsibilities

1. IBM will provide Services under this SOW during normal business hours, 8:00 a.m. to 5:00 p.m. (local time) Monday through Friday, except IBM holidays, unless otherwise specified.
2. Some IBM activities on this project may be performed on IBM premises.
3. Some of the Services may be performed by an IBM subcontractor. If an IBM subcontractor assists with the project, IBM is solely responsible for completion of the work described herein and compliance with the terms hereof and coordinating any involvement of IBM subcontractors who may be engaged to assist IBM in accomplishing the work described herein.

## 2.2 Project Management

**Description:** The objective of this task is to provide an individual ("IBM Project Manager") to provide direction and control of IBM project personnel, and to establish a framework for project communications, reporting, procedural and contractual activity. The major sub tasks are:

1. Review this SOW, and any associated documents, with the Customer Project Manager.
2. Coordinate and manage the activities of IBM project personnel.
3. Maintain project communications through the Customer Project Manager.
4. Establish documentation and procedural standards for the development of this project.
5. Prepare a project plan at the onset of this project for performance of this SOW. The project plan will define tasks, schedule and responsible person(s) or organization(s) for each milestone.
6. Conduct project status meetings.
7. Prepare and submit monthly Status Reports.
8. Review and administer the Project Change Control Procedure with the Customer Project Manager.

**Completion Criteria:** This activity will be complete when the other activities described as IBM Responsibilities have been completed, according to their completion criteria, or IBM has met the criteria defined in the Completion Criteria section of this SOW.

**Deliverables:** Status Report

## 2.3 Task name for additional task(s)

**Description:** To perform\_\_\_\_\_.

The major sub tasks are:

1. List subtask
2. List subtask
3. List subtask

**Completion Criteria:** This task will be complete when\_\_\_\_\_.

**Deliverable Material:** \_\_\_\_\_

**Assumptions:**

## 3 Customer Responsibilities

The successful completion of the proposed effort depends on the full commitment and participation of Customer management and personnel. The responsibilities listed in this section are in addition to those responsibilities specified in the Agreement, and are to be provided at no charge to IBM. IBM's performance is predicated upon the following responsibilities being fulfilled by Customer as scheduled in the project plan. Delays in performance of these responsibilities

may result in additional charges and/or delay of the completion of the project, and will be handled in accordance with Project Change Control Procedure.

### 3.1 Customer General Responsibilities

1. Make appropriate personnel available to assist IBM in the performance of IBM's responsibilities.
2. Provide suitable office space, supplies, furniture, high speed connectivity to the Internet, and other facilities for IBM's personnel while working on Customer's premises.
3. Provide security clearance and building access for IBM project personnel. Most of the work involved in this project will be performed during normal working hours (8:00am to 5:00pm). However, on some occasions, Customer may need to provide access to facilities outside of these hours.
4. Be responsible for the content of any database, the selection and implementation of controls on its access and use, backup and recovery and the security of the stored data. This security will also include any procedures necessary to safeguard the integrity and security of software and data used in the Services from access by unauthorized personnel.
5. Be responsible for the identification and interpretation of any applicable laws, regulations, and statutes that affect Customer's existing application systems or programs that IBM will have access to during the Services. It is Customer's responsibility to assure that the systems and programs meet the requirements of those laws, regulations and statutes.
6. Authorize International Business Machines Corporation and its subsidiaries (and their successors and assigns, contractors and IBM Business Partners) to store and use Customer's business contact information wherever they do business, in connection with IBM products and Services or in furtherance of IBM's business relationship with Customer.
7. Prior to Customer making facilities, software, hardware, networks or other similar resources available to IBM, Customer agrees to obtain any licenses or approvals for IBM or its subcontractors to use, access, and modify such resources to the extent necessary for IBM to perform the Services, including the development of any Materials. IBM will be relieved of liability and its obligations to the extent Customer's failure to promptly obtain such licenses or approvals adversely affects IBM's ability to perform its obligations.

### 3.2 Customer Project Manager

Prior to the start of this SOW under the *Agreement*, #Customer Name# will designate a person, called the Customer Project Manager, to whom IBM communications will be addressed and who has the authority to act for #Customer Name# in all matters regarding this SOW.

The Customer Project Manager's responsibilities include:

1. Serve as the interface between IBM and all Customer departments, organizations and sites participating in this project.
2. With the IBM Project Manager, develop the project plan prior to implementation.
3. With the IBM Project Manager, administer the Project Change Control Procedure.
4. Attend project status meetings.
5. Obtain and provide information, data, decisions and approvals, within five (5) working days of IBM's request, unless both IBM and Customer agree to an extended response time.
6. Help resolve project issues and escalate issues within the #Customer Legal Name# organization, as necessary.

## 4 Estimated Schedule

Estimated Start Date = \_\_\_\_\_

Estimated End Date = \_\_\_\_\_

If the SOW signature date is beyond the Estimated Start Date, the Estimated Start Date shall automatically be extended to be the first business day following the day the last signature is affixed to this SOW. The Estimated End Date shall automatically be extended by the same number of days.

Reasonable effort shall be made to keep the schedule dates intact.

IBM shall not be responsible for delays or additional requirements imposed by any government agencies, labor disputes, fire, unavoidable casualties, or unforeseen conditions.

## 5 Deliverable Materials

The Deliverable Materials, identified as Type II Materials, resulting from these Services are:

- Status Report\*
- Project Plan\*, if applicable
- Any additional Materials here

\* = Deliverable Material exempt from the Deliverable Material Acceptance Process

See Appendix A, "Deliverable Material Guidelines", for a description of each Deliverable Material. See Appendix B, "Deliverable Material Acceptance Process", for the Material acceptance process.

## 6 Completion Criteria

IBM shall have fulfilled its obligations under this SOW when any of the following first occurs:

1. IBM accomplishes the IBM tasks described under "IBM Responsibilities".
2. Either of us terminates this SOW under the terms of the Agreement.

## 7 Charges

1. Based on the above tasks and assumptions, IBM will provide the above Services for a fixed price of \$\_\_\_\_\_ which will be invoiced monthly as work is performed.
2. Travel and living expenses are in addition to the above charge are currently estimated at \$\_\_\_\_\_. Travel and living expenses will be invoiced monthly.

## 8 Other Terms and Conditions *{\*\*Certain terms contained in this Section 8 may not apply to various Seat Management Service towers, to be determined upon receipt of service proposal request – in which case terms not applicable will be replaced with an "N/A" designation or edited as mutually agreed by the parties, as applicable. Additionally, IBM will review its CSO database notes relative the Contract to confirm that the proposed solution and documentation has all necessary General and IP Legal approvals in place for the types of services being offered.}*

1. These Services do not address the capability of Customer's systems to handle monetary data in the euro denomination. Customer acknowledges that it is Customer's responsibility to assess Customer's current systems and take appropriate action to ensure that Customer's systems are able to correctly process or properly exchange accurate monetary data in the euro denomination.
2. All non-IBM products must be approved by IBM's Product Safety Review Board prior to IBM placing Customer's order. If any product does not meet IBM's product safety specifications, IBM will work with Customer to identify an alternate product. Procurement of an alternate product will occur only upon Customer's approval. In the event that a satisfactory alternate product cannot be identified, this SOW may be terminated by either party without liability to the other party.

In entering into this SOW, Customer is not relying upon any representation made by or on behalf of IBM that is not specified in the Agreement or this SOW, including, without limitation, the actual or estimated completion date, number of hours to provide any of the Services, charges to be paid, or the results of any of the Services to be provided under this SOW.

IBM agrees to provide the Services described in this SOW provided Customer accepts this SOW, without modification, by signing in the space below on or before Month Day, 200x.

Each of us agrees that the complete agreement between us about these Services consists of 1) this SOW and 2) the Agreement.

Agreed to by Customer: \_\_\_\_\_

Agreed to by IBM: \_\_\_\_\_

**International Business Machines Corporation**

By: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Signature

Date

Authorized Signature

Date

Authorized Name (print) \_\_\_\_\_

Authorized Name (print) \_\_\_\_\_

Customer Number:

IBM Customer Agreement Number:

Customer Address:

Contract Number:

IBM Office Number:

Project Name or Identifier:

IBM Office Address:

**400 West 15<sup>th</sup> Street, Suite 1200, Austin, TX  
78701**

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## Appendix A. Deliverable Material Guidelines

### Status Report

**Purpose:** IBM will provide a Status Report during the project to describe the activities which took place during that period. Significant accomplishments, milestones, and problems will be described.

**Delivery:** One hard copy will be delivered to the Customer Project Manager within five working days following the reporting period.

**Content:** The report will consist of the following, as appropriate:

- Activities performed during the reporting period
- Activities planned for the next reporting period
- Project change control activity
- Problems, concerns, and recommendations

### Additional deliverable(s) (if any)

**Purpose:** IBM will provide a \_\_\_\_\_

**Delivery:** One hard copy will be delivered to the Customer Project Manager.

**Content:** The report will consist of the following, as appropriate:

- describe contents
- describe contents
- describe contents
- describe contents

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## Appendix B. Deliverable Material Acceptance Process

Each Deliverable Material as defined in Appendix A - Deliverable Materials Guidelines will be reviewed and accepted in accordance with the following procedure:

- One (1) printed draft of the Deliverable Material will be submitted to the Customer Project Manager. It is the Customer Project Manager's responsibility to make and distribute additional copies to any other reviewers.
- Within five (5) business days of receipt, the Customer Project Manager will either accept the Deliverable Material or provide the IBM Project Manager a written list of requested revisions. If IBM receives no response from the Customer Project Manager within five (5) business days, then both Project Managers will mutually agree on date of accepted Deliverable Material.
- The IBM Project Manager will consider Customer 's request for revisions, if any, within the context of IBM's obligations as stated in Appendix A - Deliverable Materials Guidelines.
- Those Customer revisions agreed to by IBM will be made and the Deliverable Material will be resubmitted to the Customer Project Manager, at which time the Deliverable Material will be deemed accepted.
- Those Customer revisions not agreed to by IBM will be managed in accordance with Appendix C, Project Change Control Procedure.



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## Appendix C. Project Change Control Procedure

When both of us agree to a change in this SOW, a written description of the agreed change (called a "Change Authorization") will be prepared, which both parties must sign. The Change Authorization will describe the change, the rationale for the change, and specify any change in the charges, estimated schedule, or other terms. The terms of a mutually agreed upon Change Authorization will prevail over those of this SOW or any previous Change Authorization.